

CHICAGO – U.S. Representatives Mark Kirk (R-Ill.) and Dan Lipinski (D-Ill.) announced bipartisan legislation today at Northwestern Memorial Hospital to boost health insurance access for millions of Americans. The “Health Insurance for Life Act” (H.R. 2047) removes the current time restrictions for Consolidated Omnibus Budget Reconciliation Act (COBRA) health benefits. COBRA benefits are currently available to qualifying workers employed in companies with 20 or more people. Enrollees pay 102 percent of their total former insurance premium. Benefits typically last no more than 18 months, although in certain limited circumstances they can be extended to 36 months.

“Not too long ago, a worker was expected to be with one company for their entire lives, never having to change health insurance plans,” Congressman Kirk said. “But with new employment trends workers now have more than 10 jobs in their lives. As jobs become more portable, so should access to health insurance. This is particularly crucial during tough economic times. Permanently extending COBRA benefits is a necessity to cover those families that can’t get new insurance because of a preexisting condition, or whose next job doesn’t offer health insurance. Expanded coverage also will act as a bridge for retirees who are not yet eligible for Medicare. With rising gas and food prices, we should provide more protections against rising medical bills – not less.”

Reflecting higher job portability, more than 2.5 million policy holders were covered by COBRA insurance in 2005 – up from only 1.5 million in 1997. Including dependents, COBRA coverage estimates approach 5 million Americans.

A 2006 survey by Spencer's Benefit Reports concluded that nearly 30 percent of eligible workers are covered by COBRA. The Kaiser Foundation estimates that for every 1 percent increase in unemployment, 1.1 million Americans lose access to health insurance. According to the Center for Economic and Policy Research, 4.2 million Americans could lose their insurance this year.

Retirees not yet eligible for Medicare also benefit from expanded COBRA benefits. According to the Congressional Research Service, access to retiree health plans has fallen from 66 percent in 1988 to 38 percent in 2003. The Census Bureau estimates that 13 percent of people aged 55-64 are uninsured.

The average active single employee health insurance premium cost is \$3,695, with employers paying 73 percent of the premium on average. The average COBRA insurance cost for a single employee is \$3,768.90. Under the Act, the Secretary of Health and Human Services is directed to determine the average cost of insuring the COBRA population and set that rate for Americans to exercise their new health insurance for life rights.

Congressmen Kirk and Lipinski were joined by Northwestern Memorial Hospital Chief Financial Officer Peter J. McCanna and local doctors.